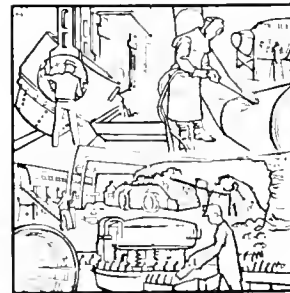


**Manufacturers' Shipments,
Inventories, and Orders****January 1974**

FOR RELEASE: March 5, 1974

SERIES: M3-1(74)-1

SUMMARY

New orders for manufactured products in January increased \$4.12 billion or 5.4 percent to \$80.93 billion from \$76.81 billion in December after seasonal adjustment. Shipments increased \$3.70 billion or 4.9 percent to \$79.05 billion from \$75.36 billion in December. Unfilled orders increased \$1.88 billion or 1.6 percent to \$117.66 billion at the end of January. Manufacturers' inventories increased \$1.23 billion or 1.0 percent to \$122.10 billion at the end of January. The inventories to shipments ratio decreased from 1.60 to 1.54.

For the 3 months ending in January, the average month to month change in new orders increased 1.4 percent compared with a 1.2 percent increase for the 3 months ending in October and a 0.8 percent increase for the 3 months ending in July.

NEW ORDERS

New orders for durable goods increased \$1.99 billion or 4.8 percent in January primarily due to increases in electrical machinery (\$1.04 billion) and the aerospace industries (\$950 million). Among the supplementary series, the household durables industries increased \$200 million and the capital goods industries increased \$1.47 billion as the defense and non-defense segments increased \$1.05 billion and \$425 million respectively.

SHIPMENTS

Shipments of durable goods increased \$1.72 billion or 4.3 percent to \$41.93 billion in January. This increase was led by motor vehicles and parts (\$525 million), aerospace industries (\$295 million) and primary metals (\$255 million). Shipments of nondurable goods increased \$1.98 billion or 5.6 percent to \$37.13 billion. All industry

groups registered increases with the foods industries accounting for \$690 million of the total.

UNFILLED ORDERS

Unfilled orders of durable goods increased \$1.61 billion or 1.4 percent to \$112.56 billion at the end of January as increases in electrical machinery (\$875 million), nonelectrical machinery (\$460 million), aerospace industries (\$380 million) and fabricated metal products (\$380 million) were partially offset by a decline in primary metals (\$920 million).

INVENTORIES

Inventories of durable goods increased \$810 million and nondurable goods increased \$415 million between the end of January and December. At the all manufacturing level, materials and supplies increased \$930 million, work in process inventories decreased \$55 million; and finished goods increased \$350 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for February is scheduled for release on March 21, 1974 and the full report is scheduled for release on April 1, 1974.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Jan. 1974 ^P	Dec. 1973 ^r	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^r	Jan. 1973	Jan. 1974 ^P	Dec. 1973 ^r	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^r	Jan. 1973
All manufacturing industries:												
Total.....	79,054	75,355	77,019	73,706	71,571	63,764	122,096	120,870	118,435	122,307	120,312	108,572
Total, excluding transportation.....	69,028	66,199	66,395	64,220	62,816	53,980	103,724	102,637	100,672	103,862	102,142	92,144
Durable goods industries, total.	41,927	40,203	41,896	38,853	38,047	35,061	80,252	79,441	77,645	80,113	78,835	70,625
Stone, clay, and glass products.	2,180	2,048	2,162	1,889	1,809	1,752	2,819	2,813	2,737	2,819	2,752	2,467
Primary metals, total.....	6,944	6,687	6,792	6,674	6,072	5,242	9,347	9,356	9,226	9,494	9,503	9,734
Blast furnaces, steel mills.	3,313	3,181	3,367	3,224	2,840	2,679	4,554	4,672	4,617	4,682	4,827	5,300
Nonferrous metals.....	2,660	2,586	2,495	2,530	2,384	1,815	3,507	3,449	3,402	3,539	3,446	3,394
All other primary metals....	971	920	930	920	848	748	1,286	1,235	1,207	1,273	1,230	1,040
Fabricated metal products total.....	4,897	4,730	4,714	4,435	4,527	3,860	9,041	8,997	8,792	8,901	8,758	7,764
Metal cans, barrels, and drums.....	527	504	491	462	434	368	875	849	730	865	773	681
Machinery, except electrical, total.....	6,769	6,630	6,614	6,340	6,384	5,316	16,941	16,703	16,365	16,957	16,706	14,498
Engines and turbines.....	537	546	521	472	635	436	1,464	1,413	1,395	1,481	1,436	1,242
Farm machinery and equipment.	697	614	654	643	493	499	1,462	1,448	1,335	1,486	1,448	1,258
Construction, mining, and material handling equipment.	1,270	1,372	1,324	1,250	1,191	986	3,315	3,260	3,188	3,342	3,302	2,857
Metalworking machinery.....	397	402	381	371	417	289	1,483	1,447	1,426	1,473	1,434	1,139
General industrial machinery	600	605	573	536	602	407	1,431	1,416	1,397	1,419	1,402	1,251
Electrical machinery, total...	5,564	5,387	5,362	5,095	5,438	4,644	12,795	12,559	12,302	12,586	12,328	10,454
Electrical transmission and distribution equipment and industrial apparatus.....	1,093	1,046	1,022	952	1,037	674	2,794	2,766	2,716	2,785	2,754	2,298
Household appliances.....	721	733	680	603	679	554	1,238	1,187	1,177	1,242	1,171	1,092
Radio and TV.....	527	509	575	483	560	414	1,097	1,069	1,048	1,004	991	907
Communication equipment.....	1,225	1,152	1,125	1,163	1,222	1,070	3,626	3,573	3,492	3,590	3,530	2,934
Transportation equipment, total	10,026	9,156	10,624	9,486	8,755	9,784	18,372	18,233	17,763	18,445	18,170	16,428
Motor vehicles and parts....	6,014	5,490	6,668	6,075	4,866	6,710	5,680	5,646	5,391	5,805	5,663	4,630
Aircraft, missiles, and parts.....	2,680	2,583	2,775	2,504	2,923	2,346	9,776	9,772	9,709	9,777	9,684	9,315
Shipbuilding and railroad equipment.....	467	370	428	411	411	326	2,027	1,981	1,832	2,005	1,989	1,683
Instruments and related products, total.....	1,275	1,226	1,232	1,143	1,218	1,047	3,308	3,268	3,170	3,251	3,165	2,615
Scientific and engineering..	625	608	608	591	584	579	1,828	1,814	1,744	1,812	1,783	1,549
All other instruments and related products.....	650	618	624	552	634	468	1,480	1,454	1,426	1,439	1,382	1,066
All other durable goods industries.....	4,272	4,339	4,376	3,791	3,844	3,416	7,629	7,512	7,290	7,660	7,453	6,665
Nondurable goods industries, total.....	37,127	35,152	35,123	34,853	33,524	28,703	41,844	41,429	40,790	42,194	41,477	37,947
Food and kindred products, total.....	12,781	12,089	12,180	12,024	11,980	9,687	10,604	10,584	10,432	10,872	10,912	9,852
Meat products.....	2,924	2,900	2,923	2,877	2,865	2,414	1,255	1,184	1,163	1,264	1,194	905
Fats and oils.....	1,112	951	871	1,066	910	675	774	755	741	834	816	891
Tobacco products.....	582	552	528	549	539	475	2,559	2,460	2,446	2,726	2,591	2,490
Textile mill products.....	2,825	2,642	2,637	2,588	2,537	2,215	4,725	4,589	4,521	4,648	4,444	3,995
Paper and allied products, total.....	3,056	2,891	2,898	2,945	2,719	2,432	3,288	3,267	3,170	3,269	3,265	2,866
Pulp, paper, etc.....	1,329	1,216	1,240	1,293	1,166	1,050	1,140	1,137	1,094	1,131	1,135	1,032
Paperboard containers.....	829	771	777	786	710	639	956	949	931	942	935	828
All other paper containers..	898	904	881	866	843	743	1,192	1,181	1,145	1,196	1,195	1,006
Chemicals and allied products, total.....	6,299	6,140	5,895	5,851	5,463	4,885	7,285	7,268	7,208	7,333	7,283	7,053
Industrial chemicals, except pigments.....	1,882	1,730	1,731	1,795	1,590	1,465	2,012	1,998	1,976	2,044	2,040	2,007
Drugs, soap, and toiletries.	1,630	1,645	1,620	1,584	1,523	1,419	2,428	2,452	2,424	2,403	2,403	2,150
Petroleum and coal products...	3,942	3,663	3,456	3,940	3,694	2,649	2,741	2,626	2,548	2,754	2,672	2,272
Rubber and plastics products, n.e.c.....	1,857	1,754	1,794	1,722	1,584	1,560	2,650	2,627	2,574	2,658	2,641	2,391
All other nondurable goods industries.....	5,785	5,421	5,735	5,234	5,008	4,800	7,992	8,008	7,891	7,934	7,669	7,028

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Jan. 1974 ^P	Dec. 1973 ^R	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^R	Jan. 1973	Jan. 1974 ^P	Dec. 1973 ^R	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^R	Jan. 1973
All manufacturing industries:												
Total.....	80,928	76,811	79,441	77,438	73,590	66,527	117,662	115,785	114,324	118,350	114,623	88,077
Total, excluding transportation.....	70,104	67,593	67,868	66,896	64,843	56,105	85,416	84,339	82,939	85,966	83,296	61,425
Durable goods industries, total.	43,532	41,546	44,315	42,318	40,009	37,657	112,559	110,953	109,606	113,350	109,886	83,941
Primary metals, total.....	6,022	6,597	6,730	7,013	6,594	6,183	13,922	14,844	14,934	14,629	14,290	8,622
Blast furnaces, steel mills.	2,095	3,014	3,109	3,082	3,204	3,328	8,666	9,884	10,051	9,307	9,449	5,447
Nonferrous metals.....	2,928	2,557	2,582	2,930	2,438	2,041	3,055	2,787	2,816	3,101	2,701	2,031
Fabricated metal products.....	5,276	5,237	4,997	4,877	5,067	4,102	15,500	15,122	14,614	15,471	15,029	11,098
Machinery, except electrical, total.....	7,231	7,308	7,313	7,063	7,059	5,935	22,462	22,002	21,321	22,592	21,669	15,441
Engines and turbines.....	602	742	710	596	826	590	5,846	5,781	5,583	5,888	5,764	4,673
Construction, mining, and material handling equipment.	1,446	1,543	1,558	1,451	1,325	1,108	4,633	4,457	4,285	4,577	4,377	2,844
Metalworking machinery.....	465	497	461	426	500	370	2,167	2,100	2,005	2,161	2,106	1,169
General industrial machinery.	656	628	561	617	672	456	2,312	2,256	2,233	2,335	2,254	1,572
Electrical machinery, total...	6,439	5,399	5,788	5,822	5,614	4,722	20,593	19,718	19,706	20,566	19,841	15,942
Electrical transmission and distribution equipment and industrial apparatus.....	1,335	1,241	1,175	1,147	1,265	927	5,858	5,616	5,422	5,808	5,614	4,313
Household appliances.....	733	712	670	616	660	554	113	101	121	108	96	133
Radio and TV.....	564	381	653	496	467	310	671	633	761	618	606	567
Communication equipment.....	1,527	1,036	1,176	1,400	1,158	1,061	6,513	6,211	6,328	6,608	6,370	6,085
Transportation equipment, total.....	10,824	9,218	11,573	10,542	8,747	10,422	32,246	31,446	31,385	32,384	31,327	26,652
Aircraft, missiles, and parts.....	3,259	2,307	2,893	3,071	2,640	2,728	19,868	19,488	19,765	19,943	19,376	18,268
Shipbuilding and railroad equipment.....	828	545	1,221	827	546	357	7,777	7,415	7,241	7,720	7,304	5,047
All other durable goods industries.....	7,740	7,787	7,914	7,001	6,928	6,293	7,836	7,821	7,646	7,708	7,530	6,186
Nondurable goods industries, total.....	37,396	35,265	35,126	35,120	33,581	28,870	5,103	4,832	4,718	5,000	4,737	4,136
Industries with unfilled orders.....	9,351	8,601	8,687	8,778	8,257	7,443	5,103	4,832	4,718	5,000	4,737	4,136
Industries without unfilled orders.....	28,045	26,664	26,439	26,342	25,324	21,427	-	-	-	-	-	-

- Represents zero. ^P Preliminary. ^R Revised.¹ Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Jan. 1974 ^b	Dec. 1973 ^r	Nov. 1973	Jan. 1974 ^b	Dec. 1973 ^r	Jan. 1973	Jan. 1974 ^b	Dec. 1973 ^r	Nov. 1973	Jan. 1974 ^b	Dec. 1973 ^r	Jan. 1973
	Shipments						Total inventories					
All manufacturing industries, total..	79,054	75,355	77,019	73,706	71,571	63,764	122,096	120,870	118,435	122,307	120,312	108,572
Durable goods industries, total.....	41,927	40,203	41,896	38,853	38,047	35,061	80,252	79,441	77,645	80,113	78,835	70,625
Nondurable goods industries, total.....	37,127	35,152	35,123	34,853	33,524	28,703	41,844	41,429	40,790	42,194	41,477	37,947
Industry groups arranged by market categories:												
Home goods and apparel.....	7,137	6,961	7,178	6,310	6,257	5,729	13,319	13,231	13,065	13,126	12,780	11,759
Consumer staples.....	15,324	14,746	14,915	14,445	14,548	12,222	16,099	16,024	15,808	16,457	16,337	14,706
Equipment and defense products, except automotive.....	11,011	10,636	10,690	10,076	10,763	8,790	31,480	31,140	30,582	31,459	31,007	27,574
Automotive equipment.....	7,260	6,724	7,980	7,096	5,876	7,578	7,401	7,305	7,038	7,501	7,316	6,234
Construction materials, supplies, and intermediate products.....	6,327	6,314	6,301	5,375	5,749	4,858	10,246	10,220	10,019	10,203	10,062	8,900
Other materials and supplies and intermediate products.....	31,995	29,974	29,955	30,404	28,378	24,587	43,551	42,950	41,923	43,561	42,810	39,399
Supplementary series: ²												
Household durable goods industries.....	3,179	3,143	3,260	2,819	2,968	2,511	6,358	6,263	6,112	6,255	6,083	5,521
Capital goods industries.....	12,659	12,208	12,320	11,554	12,484	10,281	35,482	35,103	34,541	35,365	34,921	31,012
Nondefense.....	11,018	10,661	10,713	10,109	10,787	8,787	29,801	29,488	29,033	29,704	29,337	25,877
Defense.....	1,641	1,547	1,607	1,445	1,697	1,494	5,681	5,615	5,508	5,661	5,584	5,135
	New orders						Unfilled orders					
All manufacturing industries, total..	80,928	76,811	79,441	77,436	73,590	66,527	117,662	115,785	114,324	116,350	114,623	88,077
Durable goods industries, total.....	43,532	41,546	44,315	42,318	40,009	37,657	112,559	110,953	109,606	113,350	109,886	83,941
Nondurable goods industries, total.....	37,396	35,265	35,126	35,120	33,581	28,870	5,103	4,832	4,718	5,000	4,737	4,136
Industry groups arranged by market categories:												
Home goods and apparel.....	7,204	6,858	7,274	6,367	6,105	5,647	2,965	2,881	2,978	2,850	2,783	2,259
Consumer staples.....	15,339	14,749	14,911	14,459	14,551	12,224						
Equipment and defense products, except automotive.....	12,506	11,221	12,253	11,919	11,514	9,648	57,940	56,386	55,636	58,227	56,309	45,442
Automotive equipment.....	7,318	6,887	8,018	7,169	6,016	7,803						
Construction materials, supplies, and intermediate products.....	6,644	6,897	6,558	5,779	6,234	5,119	14,482	14,165	13,581	14,334	13,928	10,352
Other materials and supplies and intermediate products.....	31,917	30,199	30,427	31,745	29,170	26,086	42,275	42,353	42,129	42,939	41,603	30,024
Supplementary series: ²												
Household durable goods industries.....	3,216	3,015	3,358	2,848	2,836	2,423	2,293	2,254	2,379	2,195	2,168	1,765
Capital goods industries.....	14,382	12,912	14,124	13,701	13,211	11,366	64,393	62,671	61,968	64,581	62,434	51,121
Nondefense.....	11,993	11,569	11,970	11,402	11,607	9,754	42,390	41,419	40,511	42,403	41,111	31,284
Defense.....	2,389	1,343	2,154	2,299	1,604	1,612	22,003	21,252	21,457	22,178	21,323	19,837

During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^bPreliminary. ^rRevised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1968-1973	
	Dec. 1973- Jan. 1974	Nov.- Dec. 1973	Oct.- Nov. 1973	3 months			12 months Jan. 1973- Jan. 1974	Average rise	Average decline
				Oct. 1973- Jan. 1974	July- Oct. 1973	Apr.- July 1973			
Shipments:									
All manufacturing industries.....	+4.9	-2.2	+2.3	+1.7	+0.9	+1.3	+1.2	+1.3	-1.1
Durable goods industries, total.....	+4.3	-4.0	+0.8	+0.4	+0.7	+1.8	+0.9	+1.9	-1.5
Nondurable goods industries, total.....	+5.6	+0.1	+4.2	+3.3	+1.2	+0.7	+1.6	+1.1	-0.8
Total inventories:									
All manufacturing industries.....	+1.0	+2.1	+1.0	+1.4	+1.0	+1.0	+1.0	+0.6	-0.1
New orders:									
All manufacturing industries.....	+5.4	-3.3	+2.2	+1.4	+1.2	+0.8	+1.2	+1.7	-1.3
Durable goods industries, total.....	+4.8	-6.2	+0.6	-0.3	+1.1	+1.1	+0.9	+2.5	-2.1
Nondurable goods industries, total.....	+6.0	+0.4	+4.2	+3.5	+1.3	+0.5	+1.6	+1.1	-0.8
Unfilled orders:									
Durable goods industries, total.....	+1.4	+1.2	+2.3	+1.6	+2.5	+3.2	+2.5	+1.4	-1.0

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Jan. 1974 ^P	Dec. 1973 ^T	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^T	Jan. 1973	Jan. 1974 ^P	Dec. 1973 ^T	Nov. 1973	Jan. 1974 ^P	Dec. 1973 ^T	Jan. 1973
	Total						Materials and supplies					
All manufacturing industries, total..	122,096	120,870	118,435	122,307	120,312	108,572	41,339	40,407	39,312	41,550	40,807	34,480
Durable goods industries, total.....	80,252	79,441	77,645	80,113	78,835	70,625	25,025	24,423	23,444	24,968	24,564	20,238
Stone, clay, and glass products.....	2,819	2,813	2,737	2,819	2,752	2,467	1,017	1,003	968	1,013	1,007	810
Primary metals.....	9,347	9,356	9,226	9,494	9,503	9,734	3,598	3,586	3,494	3,663	3,762	3,374
Machinery (electrical and nonelectrical).	29,736	29,262	28,667	29,543	29,034	24,952	8,609	8,359	8,076	8,563	8,360	6,596
Transportation equipment.....	18,372	18,233	17,763	18,445	18,170	16,428	3,931	3,888	3,594	3,947	3,941	3,080
All other durable goods industries.....	19,978	19,777	19,252	19,812	19,376	17,044	7,870	7,587	7,312	7,782	7,494	6,378
Nondurable goods industries, total.....	41,844	41,429	40,790	42,194	41,477	37,947	16,314	15,984	15,868	16,582	16,243	14,242
Chemicals and allied products.....	7,285	7,268	7,208	7,333	7,283	7,053	2,864	2,772	2,706	2,882	2,788	2,452
Petroleum and coal products.....	2,741	2,626	2,548	2,754	2,672	2,272	600	552	567	611	562	503
Rubber and plastics products, n.e.c.....	2,650	2,627	2,574	2,658	2,641	2,391	998	986	939	985	990	677
All other nondurable goods industries....	29,168	28,908	28,460	29,449	28,881	26,231	11,852	11,674	11,656	12,104	11,903	10,610
	Work in process						Finished goods					
All manufacturing industries, total..	42,595	42,649	41,935	42,575	42,117	38,346	38,162	37,814	37,188	38,182	37,388	35,746
Durable goods industries, total.....	35,995	36,078	35,519	35,977	35,694	32,380	19,232	18,940	18,682	19,168	18,577	18,007
Stone, clay, and glass products.....	384	403	394	385	380	348	1,418	1,407	1,375	1,421	1,365	1,309
Primary metals.....	3,456	3,450	3,405	3,523	3,440	3,546	2,293	2,320	2,327	2,308	2,301	2,814
Machinery (electrical and nonelectrical).	13,497	13,407	13,203	13,453	13,289	11,369	7,630	7,496	7,388	7,527	7,385	6,987
Transportation equipment.....	12,803	12,761	12,589	12,829	12,682	11,988	1,638	1,584	1,580	1,669	1,547	1,360
All other durable goods industries.....	5,855	6,057	5,928	5,787	5,903	5,129	6,253	6,133	6,012	6,243	5,979	5,537
Nondurable goods industries, total.....	6,600	6,571	6,416	6,598	6,423	5,966	18,930	18,874	18,506	19,014	18,811	17,739
Chemicals and allied products.....	1,114	1,095	1,119	1,108	1,102	1,049	3,307	3,401	3,383	3,343	3,393	3,552
Petroleum and coal products.....	706	653	591	695	644	482	1,435	1,421	1,390	1,448	1,466	1,287
Rubber and plastics products, n.e.c.....	424	417	416	425	423	404	1,228	1,224	1,219	1,248	1,228	1,310
All other nondurable goods industries....	4,356	4,406	4,290	4,370	4,254	4,031	12,960	12,828	12,514	12,975	12,724	11,590

^PPreliminary.^TRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Jan. 1974 ^P	Dec. 1973 ^T	Nov. 1973	Jan. 1973	Jan. 1974 ^P	Dec. 1973 ^T	Nov. 1973	Jan. 1973
All manufacturing industries, total.....	1.54	1.60	1.54	1.58	2.55	2.62	2.53	2.17
Durable goods industries, total.....	1.91	1.98	1.85	1.87	3.03	3.10	3.00	2.57
Stone, clay, and glass products.....	1.29	1.37	1.27	1.22	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.35	1.40	1.36	1.76	2.00	2.22	2.20	1.51
Fabricated metals.....	1.85	1.90	1.87	1.85	3.55	3.58	3.46	2.89
Machinery, except electrical.....	2.50	2.52	2.47	2.55	3.32	3.32	3.22	2.70
Electrical machinery.....	2.30	2.33	2.29	2.10	3.70	3.66	3.66	3.14
Transportation equipment.....	1.83	1.99	1.67	1.58	5.40	5.78	5.28	4.71
Instruments and related products.....	2.59	2.67	2.57	2.29	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.13	1.18	1.16	1.23	0.56	0.57	0.54	0.53
Food and kindred products.....	0.83	0.88	0.86	0.93	(X)	(X)	(X)	(X)
Tobacco products.....	4.40	4.46	4.63	4.63	(X)	(X)	(X)	(X)
Textile mill products.....	1.67	1.74	1.71	1.68	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.08	1.13	1.09	1.14	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.16	1.18	1.22	1.33	(NA)	(NA)	(X)	(X)
Petroleum and coal products.....	0.70	0.72	0.74	0.85	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.43	1.50	1.43	1.42	(X)	(X)	(X)	(X)

(NA) Not available. ^PPreliminary. ^TRevised. (X) Not applicable.¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.



New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

